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Attorneys for California Department of Water  
Resources, by and through the State Water Project

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA

**In re:**

**PG&E CORPORATION**

And

**PACIFIC GAS AND ELECTRIC  
COMPANY,**

Debtor.

- ☐ Affects PG&E Corporation
- ☐ Affects Pacific Gas and  
Electric Company
- ☒ Affects both Debtors

Bankruptcy Case

No. 19-30088(DM)

Chapter 11

(Lead Case)  
(Joint Administered)

**DECLARATION OF GHASSAN  
ALQASER IN SUPPORT OF  
CALIFORNIA DEPARTMENT OF  
WATER RESOURCES' OPPOSITION  
TO REORGANIZED DEBTORS'  
MOTION FOR ORDER MODIFYING  
PLAN INJUNCTION AND  
COMPELLING ARBITRATION**

Date: March 2, 2022

Time: 10:00 a.m.

Place: Courtroom 17

Judge: Dennis Montali

1 I, Ghassan AlQaser, declare as follows:

2 1. I am Executive Manager of the Power and Risk Office, of California Department of  
3 Water Resources (“DWR”). I have personal knowledge of the facts set forth below, and if called  
4 and sworn as a witness, I could and would testify competently thereto.

5 2. I submit this second declaration (“Second Declaration”) to supplement my initial  
6 declaration filed on February 1, 2022 in support of the California Department of Water  
7 Resources’ Motion for Order Determining that the Castle Rock Agreement with PG&E Cannot  
8 Be Assumed and that the Department of Water Resources’ Claim No. 78104 Be Paid [Dkt. No.  
9 11889].

10 3. DWR began discussions with PG&E and the Remaining Cotenants, Northern California  
11 Power Authority (NCPA) and Silicon Valley Power (SVP), as early as 2014 about its intent to  
12 terminate its participation in the Castle Rock Cotenancy Agreement (“Agreement”). The parties  
13 continued to have discussions up until DWR’s termination became effective on August 1, 2019.  
14 Between 2014 and January 2022, long after DWR’s effective termination, PG&E and the  
15 Remaining Cotenants never initiated the dispute resolution procedures specified in Section 13 of  
16 the Agreement.

17 4. Before DWR gave its written notice of termination, DWR had discussed with NCPA and  
18 SVP whether they were interested in acquiring DWR’s interest under the Agreement, but they had  
19 no interest. However, NCPA and SVP continue to use the capacity that DWR provided them  
20 under the Layoff Agreement without interruption.

21 5. Approximately four years elapsed between the 2014 party discussions and when DWR’s  
22 termination became effective on August 1, 2019. During this time DWR was still a party to the  
23 Agreement, and PG&E could have initiated the dispute resolution procedures before the  
24 Coordinating Committee prior to requesting arbitration. PG&E’s filing at the Federal Energy  
25 Regulatory Commission (FERC) on July 30, 2019, just two days before DWR’s termination was  
26 to become effective, to revise language in the Agreement was the first time that DWR learned  
27 from PG&E that it was “rejecting” DWR’s notice of termination. FERC declined PG&E’s  
28 request to revise the language in the Agreement.

6. Under Section 15 of the Agreement, the Coordinating Committee is to consist of a PG&E representative who will serve as the Chairman, and no more than two representatives appointed by each Cotenant. The Committee serves as a liaison between PG&E and the other cotenants on various issues regarding the performance and operation of the Line, but its critical function central to this Motion is to consider and attempt to resolve disputes arising under the Agreement before they are submitted to arbitration pursuant to Section 13 of the Agreement. Because DWR had terminated its participation in the Agreement effective August 1, 2019, and was no longer a party to the Agreement, it did not participate in the Coordinating Committee meeting recently scheduled for January 14, 2022. As far as I am aware, this is the only Coordinating Committee that has ever been scheduled under the terms of the Agreement.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge. Executed in Sacramento, California, this 16<sup>th</sup> day of February 2022.

Ghassan Algaser

Ghassan AlQaser

**PROOF OF SERVICE**

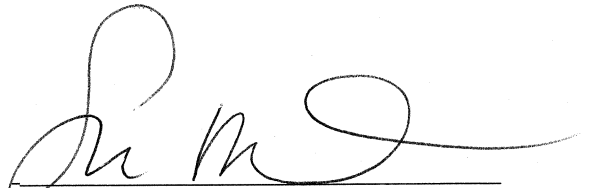
I, Susan R. Darms, declare:

I am a resident of the State of California and over the age of eighteen years, and not a party to the within action; my business address is 500 Capitol Mall, Suite 2250, Sacramento, CA 95814.

On February 16, 2022, I served the within documents:

DECLARATION OF GHASSAN ALQASER IN SUPPORT OF CALIFORNIA DEPARTMENT  
OF WATER RESOURCES' OPPOSITION TO REORGANIZED DEBTORS' MOTION FOR  
ORDER MODIFYING PLAN INJUNCTION AND COMPELLING ARBITRATION

By Electronic Service only via CM/ECF.

  
Susan R. Darms